HOW TO FIGURE INDIRECT COSTS:

Formula:

Total Grant

-Audit

- Property

XXX ÷ indirect cost rate + 1 = Total Allowable Direct Costs

Total Grant

-Total Allowable Direct Costs

=indirect cost \$

- Subtract Audit and Property costs from the Total Grant amount.
- Convert your indirect cost rate percentage to a decimal and add 1.
- Divide the Total Grant minus the Audit and Property cost by the indirect cost rate.
- This figure is the Total Allowable Direct Cost.
- Next, subtract the Total Allowable Direct Cost from the Total Grant.
- This figure is the total Indirect Cost.

Example:

\$115,000 (Total Grant)

- 0 (Audit)

- **4,000** (Property)

\$111,000

.69% (indirect cost rate percentage from chart)

.0069 (converted to decimal)

0.0069

+ 1.00

1.0069 (indirect cost rate)

 $111,000 \div 1.0069 = $110,239$

\$111,000 (Total Grant minus audit and property)

-110,239 (Total Allowable Direct Costs)

\$761 (Total Indirect Cost Amount)

CHECK: Total Allowable Direct Costs + Audit + Property + Indirect = Total Allocation. \$110,239 + 0 + 4,000 + 761 = \$115,000